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12
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14 DOWNTOWN CENTER BUSINESS
15 IMPROVEMENT DISTRICT
16 MANAGEMENT CORPORATION
17

18 SUPERIOR COURT OF THE STATE OF CALIFORNIA
19 FOR THE COUNTY OF LOS ANGELES
20

21 HILL RHF HOUSING PARTNERS, L.P. a)
22 California limited partnership; OLIVE
23 RHF HOUSING PARTNERS, L.P., a)
24 California limited partnership,

25 Petitioners/Plaintiffs,

26 v.

27 CITY OF LOS ANGELES; DOWNTOWN
28 CENTER BUSINESS IMPROVEMENT
DISTRICT, a special assessment district in
the City of Los Angeles; DOWNTOWN
CENTER BUSINESS IMPROVEMENT
DISTRICT MANAGEMENT
CORPORATION, a California nonprofit
corporation; and DOES 1 through 10,
inclusive,

Respondents/Defendant.

Case No. BS170127

Case assigned to Hon. Amy Hogue
Dept. 82

**DEFENDANT DOWNTOWN CENTER
BUSINESS IMPROVEMENT
DISTRICT MANAGEMENT
CORPORATION'S VERIFIED
ANSWER AND AFFIRMATIVE
DEFENSES TO PLAINTIFFS'
VERIFIED COMPLAINT**

Complaint filed: July 3, 2017

1 Defendant Downtown Center Business Improvement District Management
2 Corporation ("DCBID") hereby answers the Complaint of Plaintiffs Hill RHF Housing
3 Partners, L.P. and Olive RHF Housing Partners, L.P. (together, "RHF") as follows.

4 1. Answering paragraph 1, DCBID lacks sufficient information or belief to
5 enable it to answer and, on that ground, denies generally and specifically each and every
6 allegation contained therein.

7 2. Answering paragraph 2, DCBID lacks sufficient information or belief to
8 enable it to answer and, on that ground, denies generally and specifically each and every
9 allegation contained therein.

10 3. Answering paragraph 3, DCBID lacks sufficient information or belief to
11 enable it to answer and, on that ground, denies generally and specifically each and every
12 allegation contained therein.

13 4. Answering paragraph 4, DCBID lacks sufficient information or belief to
14 enable it to answer and, on that ground, denies generally and specifically each and every
15 allegation contained therein.

16 5. Answering paragraph 5, DCBID admits and alleges that the Downtown
17 Center Business Improvement District is a special assessment district in the City of Los
18 Angeles and, except as expressly admitted and alleged, denies generally and specifically
19 each and every allegation contained therein.

20 6. Answering paragraph 6, DCBID admits that it is a California nonprofit
21 corporation and, except as expressly admitted and alleged, denies generally and
22 specifically each and every allegation contained therein.

23 7. Answering paragraph 7, DCBID neither admits nor denies the allegations
24 therein.

25 8. Answering paragraph 8, DCBID lacks sufficient information or belief to
26 enable it to answer and, on that ground, denies generally and specifically each and every
27 allegation contained therein.

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1 9. Answering paragraph 9, the allegations therein are legal conclusions that do
2 not warrant a response. To the extent paragraph 9 contains factual allegations, DCBID
3 denies generally and specifically each and every allegation therein.

4 10. Answering paragraph 10, DCBID lacks sufficient information or belief to
5 enable it to answer and, on that ground, denies generally and specifically each and every
6 allegation contained therein.

7 11. Answering paragraph 11, DCBID lacks sufficient information or belief to
8 enable it to answer and, on that ground, denies generally and specifically each and every
9 allegation contained therein.

10 12. Answering paragraph 12, DCBID lacks sufficient information or belief to
11 enable it to answer and, on that ground, denies generally and specifically each and every
12 allegation contained therein.

13 13. Answering paragraph 13, the allegations therein are legal conclusions that do
14 not warrant a response. To the extent paragraph 13 contains factual allegations, DCBID
15 denies generally and specifically each and every allegation therein.

16 14. Answering paragraph 14, DCBID lacks sufficient information or belief to
17 enable it to answer and, on that ground, denies generally and specifically each and every
18 allegation contained therein.

19 15. Answering paragraph 15, DCBID admits and alleges that RHF filed a lawsuit
20 on July 18, 2012 and, except as expressly admitted and alleged, DCBID lacks sufficient
21 information or belief to enable it to answer and, on that ground, denies generally and
22 specifically each and every allegation contained therein.

23 16. Answering paragraph 16, assuming the document is a true and correct copy,
24 DCBID admits that Exhibit A to RHF's complaint appears to be a copy of the subject
25 settlement agreement, which speaks for itself and is the best evidence of its terms. Except
26 as expressly admitted, DCBID denies generally and specifically each and every allegation
27 contained in paragraph 16.

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1 17. Answering paragraph 17, DCBID lacks sufficient information or belief to
2 enable it to answer and, on that ground, denies generally and specifically each and every
3 allegation contained therein.

4 18. Answering paragraph 18, DCBID admits that Exhibit B to RHF's complaint
5 appears to be a true and correct copy of the subject letter, which speaks for itself and is the
6 best evidence of its terms. Except as expressly admitted, DCBID denies generally and
7 specifically each and every allegation in paragraph 18.

8 19. Answering paragraph 19, DCBID admits that Exhibit C to RHF's complaint
9 appears to be a true and correct copy of the subject Notice of Public Hearing, which speaks
10 for itself and is the best evidence of its terms. Except as expressly admitted, DCBID denies
11 generally and specifically each and every allegation in paragraph 19.

12 20. Answering paragraph 20, assuming the document is a true and correct copy,
13 DCBID admits that Exhibit D to RHF's complaint appears to be a copy of the subject
14 ballot, which speaks for itself and is the best evidence of its terms. Except as expressly
15 admitted, DCBID denies generally and specifically each and every allegation in paragraph
16 20.

17 21. Answering paragraph 21, DCBID admits that Exhibit E to RHF's complaint
18 appears to be a true and correct copy of the subject ordinance, which speaks for itself and
19 is the best evidence of its terms. Except as expressly admitted, DCBID denies generally
20 and specifically each and every allegation in paragraph 21.

21 22. Answering paragraph 22, assuming the document is a true and correct copy,
22 DCBID admits that Exhibit F to RHF's complaint appears to be a copy of email
23 correspondence between Daniel Whitley and Stephen Raucher, which speaks for itself and
24 is the best evidence of its contents. Except as expressly admitted, DCBID denies generally
25 and specifically each and every allegation in paragraph 22.

26 23. Answering paragraph 23, assuming the document is a true and correct copy,
27 DCBID admits that Exhibit F to RHF's complaint appears to be a copy of email
28 correspondence between Daniel Whitley and Stephen Raucher, which speaks for itself and

1 is the best evidence of its contents. Except as expressly admitted, DCBID denies generally
2 and specifically each and every allegation in paragraph 23.

3 24. Answering paragraph 24, assuming the document is a true and correct copy,
4 DCBID admits that Exhibit F to RHF's complaint appears to be a copy of email
5 correspondence between Daniel Whitley and Stephen Raucher, which speaks for itself and
6 is the best evidence of its contents. Except as expressly admitted, DCBID denies generally
7 and specifically each and every allegation in paragraph 24.

8 25. Answering paragraph 25, assuming the document is a true and correct copy,
9 DCBID admits that Exhibit F to RHF's complaint appears to be a copy of email
10 correspondence between Daniel Whitley and Stephen Raucher, which speaks for itself and
11 is the best evidence of its contents. Except as expressly admitted, DCBID denies generally
12 and specifically each and every allegation in paragraph 25.

13 26. Answering paragraph 26, DCBID lacks sufficient information or belief to
14 enable it to answer and, on that ground, denies generally and specifically each and every
15 allegation contained therein.

16 27. Answering paragraph 27, DCBID admits that Exhibit G to RHF's complaint
17 appears to be a true and correct copy of the Engineer's Report relating to the Downtown
18 Center Business Improvement District to be established on or about January 1, 2018.
19 Except as expressly admitted, DCBID denies generally and specifically each and every
20 allegation in paragraph 27.

21 28. Answering paragraph 28, DCBID admits that Exhibit H to RHF's complaint
22 appears to be a true and correct copy of the Management District Plan, which speaks for
23 itself and is the best evidence of its terms. Except as expressly admitted, DCBID denies
24 generally and specifically each and every allegation in paragraph 28.

25 29. Answering paragraph 29, DCBID lacks sufficient information or belief to
26 enable it to answer and, on that ground, denies generally and specifically each and every
27 allegation contained therein.

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1 30. Answering paragraph 30, the allegations therein are legal conclusions that do
2 not warrant a response. To the extent paragraph 30 contains factual allegations, DCBID
3 denies generally and specifically each and every allegation therein.

4 31. Answering paragraph 31, DCBID lacks sufficient information or belief to
5 enable it to answer and, on that ground, denies generally and specifically each and every
6 allegation contained therein.

7 32. Answering paragraph 32, the allegations therein are legal conclusions that do
8 not warrant a response. To the extent paragraph 32 contains factual allegations, DCBID
9 denies generally and specifically each and every allegation therein.

10 I. FIRST ALLEGED CAUSE OF ACTION

11 Violation of the Requirement to Separate and Quantify Specific and General
12 Benefits

13 (California Constitution, Article XIII D)

14 (Against All Defendants)

15 33. Answering paragraph 33, DCBID re-alleges its responses to paragraphs 1
16 through 32.

17 34. Answering paragraph 34, the allegations therein are legal conclusions that do
18 not warrant a response. To the extent paragraph 34 contains factual allegations, DCBID
19 denies generally and specifically each and every allegation therein.

20 35. Answering paragraph 35, the allegations therein are legal conclusions that do
21 not warrant a response. To the extent paragraph 35 contains factual allegations, DCBID
22 denies generally and specifically each and every allegation therein.

23 36. Answering paragraph 36, DCBID admits the accuracy of the quoted text of
24 the Engineer's Report and the fact that the case cited by RHF is not discussed in the
25 Engineer's Report. Except as expressly admitted, DCBID denies generally and specifically
26 each and every allegation in paragraph 36.

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1 37. Answering paragraph 37, the allegations therein are legal conclusions that do
2 not warrant a response. To the extent paragraph 37 contains factual allegations, DCBID
3 denies generally and specifically each and every allegation therein.

4 38. Answering paragraph 38, the allegations therein are legal conclusions that do
5 not warrant a response. To the extent paragraph 38 contains factual allegations, DCBID
6 denies generally and specifically each and every allegation therein.

7 39. Answering paragraph 39, DCBID denies generally and specifically each and
8 every allegation contained therein.

9 40. Answering paragraph 40, DCBID lacks sufficient information or belief to
10 enable it to answer and, on that ground, denies generally and specifically each and every
11 allegation contained therein.

12 41. Answering paragraph 41, DCBID denies generally and specifically each and
13 every allegation contained therein.

14 42. Answering paragraph 42, the allegations therein are legal conclusions that do
15 not warrant a response. To the extent paragraph 42 contains factual allegations, DCBID
16 denies generally and specifically each and every allegation therein.

17 43. Answering paragraph 43, the allegations therein are legal conclusions that do
18 not warrant a response. To the extent paragraph 43 contains factual allegations, DCBID
19 denies generally and specifically each and every allegation therein.

20 44. Answering paragraph 44, the allegations therein are legal conclusions that do
21 not warrant a response. To the extent paragraph 44 contains factual allegations, DCBID
22 denies generally and specifically each and every allegation therein.

23 45. Answering paragraph 45, the allegations therein are legal conclusions that do
24 not warrant a response. To the extent paragraph 45 contains factual allegations, DCBID
25 denies generally and specifically each and every allegation therein.

26 46. Answering paragraph 46, the allegations therein are legal conclusions that do
27 not warrant a response. To the extent paragraph 46 contains factual allegations, DCBID
28 denies generally and specifically each and every allegation therein.

II. SECOND ALLEGED CAUSE OF ACTION

Violation of Requirement to Assess Proportionally to the Special Benefit Conferred
(California Constitution, Article XIII D)

(Against All Defendants)

47. Answering paragraph 47, DCBID re-alleges its responses to paragraphs 1 through 46.

48. Answering paragraph 48, DCBID neither admits nor denies the allegations therein, the California Constitution speaks for itself.

49. Answering paragraph 49, the allegations therein are legal conclusions that do not warrant a response. To the extent paragraph 49 contains factual allegations, DCBID denies generally and specifically each and every allegation therein.

50. Answering paragraph 50, the allegations therein are legal conclusions that do not warrant a response. To the extent paragraph 50 contains factual allegations, DCBID denies generally and specifically each and every allegation therein.

51. Answering paragraph 51, the allegations therein are legal conclusions that do not warrant a response. To the extent paragraph 51 contains factual allegations, DCBID denies generally and specifically each and every allegation therein.

52. Answering paragraph 52, the allegations therein are legal conclusions that do not warrant a response. To the extent paragraph 52 contains factual allegations, DCBID denies generally and specifically each and every allegation therein.

53. Answering paragraph 53, the allegations therein are legal conclusions that do not warrant a response. To the extent paragraph 53 contains factual allegations, DCBID denies generally and specifically each and every allegation therein.

54. Answering paragraph 54, the allegations therein are legal conclusions that do not warrant a response. To the extent paragraph 54 contains factual allegations, DCBID denies generally and specifically each and every allegation therein.

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55. Answering paragraph 55, the allegations therein are legal conclusions that do not warrant a response. To the extent paragraph 55 contains factual allegations, DCBID denies generally and specifically each and every allegation therein.

56. Answering paragraph 56, the allegations therein are legal conclusions that do not warrant a response. To the extent paragraph 56 contains factual allegations, DCBID denies generally and specifically each and every allegation therein.

57. Answering paragraph 57, the allegations therein are legal conclusions that do not warrant a response. To the extent paragraph 57 contains factual allegations, DCBID denies generally and specifically each and every allegation therein.

III. THIRD ALLEGED CAUSE OF ACTION

Violation of the Requirement to levy Assessments Based on Benefit to Property

(Streets and Highways Code § 36632)

(Against All Defendants)

58. Answering paragraph 58, DCBID re-alleges its responses to paragraphs 1 through 57.

59. Answering paragraph 59, DCBID neither admits nor denies the allegations therein, the California Streets and Highways Code speaks for itself.

60. Answering paragraph 60, DCBID neither admits nor denies the allegations therein, the California Streets and Highways Code speaks for itself.

61. Answering paragraph 61, DCBID denies generally and specifically each and every allegation contained therein.

62. Answering paragraph 62, DCBID lacks sufficient information or belief to enable it to answer and, on that ground, denies generally and specifically each and every allegation contained therein.

63. Answering paragraph 63, the allegations therein are legal conclusions that do not warrant a response. To the extent paragraph 63 contains factual allegations, DCBID denies generally and specifically each and every allegation therein.

1 64. Answering paragraph 64, the allegations therein are legal conclusions that do
2 not warrant a response. To the extent paragraph 64 contains factual allegations, DCBID
3 denies generally and specifically each and every allegation therein.

4 65. Answering paragraph 65, the allegations therein are legal conclusions that do
5 not warrant a response. To the extent paragraph 65 contains factual allegations, DCBID
6 denies generally and specifically each and every allegation therein.

7 66. Answering paragraph 66, the allegations therein are legal conclusions that do
8 not warrant a response. To the extent paragraph 66 contains factual allegations, DCBID
9 denies generally and specifically each and every allegation therein.

10 67. Answering paragraph 67, the allegations therein are legal conclusions that do
11 not warrant a response. To the extent paragraph 67 contains factual allegations, DCBID
12 denies generally and specifically each and every allegation therein.

13 68. Answering paragraph 68, the allegations therein are legal conclusions that do
14 not warrant a response. To the extent paragraph 68 contains factual allegations, DCBID
15 denies generally and specifically each and every allegation therein.

16 IV. FOURTH ALLEGED CAUSE OF ACTION

17 Declaratory Relief re Enforceability of Settlement Agreement

18 (Against the City of Los Angeles)

19 69. Answering paragraphs 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, and 80,
20 DCBID neither admits nor denies the allegations therein as they do not pertain to a cause
21 of action pled against DCBID.

22 V. FIFTH ALLEGED CAUSE OF ACTION

23 Failure to Recognize Tax Exempt Non-Profit Status

24 (Revenue & Taxation Code § 214, 26 U.S.C. § 501)

25 (Against All Defendants)

26 70. Answering paragraph 81, DCBID re-alleges its responses to paragraphs 1
27 through 80.

28

1 71. Answering paragraph 82, the allegations therein are legal conclusions that do
2 not warrant a response. To the extent paragraph 82 contains factual allegations, DCBID
3 denies generally and specifically each and every allegation therein.

4 72. Answering paragraph 83, the allegations therein are legal conclusions that do
5 not warrant a response. To the extent paragraph 83 contains factual allegations, DCBID
6 denies generally and specifically each and every allegation therein.

7 73. Answering paragraph 84, the allegations therein are legal conclusions that do
8 not warrant a response. To the extent paragraph 84 contains factual allegations, DCBID
9 denies generally and specifically each and every allegation therein.

10 74. Answering paragraph 85, the allegations therein are legal conclusions that do
11 not warrant a response. To the extent paragraph 85 contains factual allegations, DCBID
12 denies generally and specifically each and every allegation therein.

13 75. Answering paragraph 86, the allegations therein are legal conclusions that do
14 not warrant a response. To the extent paragraph 86 contains factual allegations, DCBID
15 denies generally and specifically each and every allegation therein.

16 76. Answering paragraph 87, the allegations therein are legal conclusions that do
17 not warrant a response. To the extent paragraph 87 contains factual allegations, DCBID
18 denies generally and specifically each and every allegation therein.

19 77. Answering paragraph 88, the allegations therein are legal conclusions that do
20 not warrant a response. To the extent paragraph 88 contains factual allegations, DCBID
21 denies generally and specifically each and every allegation therein.

22 SEPARATE AFFIRMATIVE DEFENSES

23 By alleging the affirmative defenses set forth below, DCBID intends no alteration
24 of the burden of proof and/or burden of persuasion and/or burden of going forward with
25 evidence.

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FIRST AFFIRMATIVE DEFENSE

(Failure to State a Claim)

DCBID is informed and believes, and on that basis alleges that RHF's complaint and each and every claim and cause of action therein fail to state facts sufficient to constitute a cause of action against DCBID.

SECOND AFFIRMATIVE DEFENSE

(Waiver)

DCBID is informed and believes, and on that basis alleges that by its conduct and omissions, RHF is barred from asserting any claims for damages or from seeking other relief against DCBID under the doctrine of waiver.

THIRD AFFIRMATIVE DEFENSE

(Estoppel)

DCBID is informed and believes, and on that basis alleges that by its conduct and omissions, RHF is barred from asserting any claims for damages or from seeking other relief against DCBID under the doctrine of Estoppel.

FOURTH AFFIRMATIVE DEFENSE

(Unclean Hands)

DCBID is informed and believes, and on that basis alleges that RHF has engaged in careless, negligent, or other wrongful conduct, and should therefore be barred from obtaining any relief against DCBID pursuant to the doctrine of unclean hands.

FIFTH AFFIRMATIVE DEFENSE

(Lack of Standing)

DCBID is informed and believes, and on that basis alleges that RHF does not have standing to sue DCBID because, among other things, it failed to exhaust its administrative remedies.

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PRAYER FOR RELIEF


THEREFORE, DCBID prays for judgment as follows:

1. That RHF takes nothing by its action against DCBID, and that the action be dismissed with prejudice;
2. That judgment be entered in favor of DCBID and against RHF;
3. That DCBID be awarded their costs of suit; and
4. That DCBID be awarded such other and further relief as the Court may deem proper.

Respectfully submitted,

Dated: August 25, 2017

LOEB & LOEB LLP
DANIEL A. PLATT
PAUL M. ROHRER
ARTHUR FELS

By: 
ARTHUR FELS
Attorneys for Defendant/Respondent
DOWNTOWN BUSINESS
IMPROVEMENT DISTRICT
MANAGEMENT CORPORATION


VERIFICATION

I, the undersigned, declare that I am a member, officer, or director of the Downtown Business Improvement District Management Corporation.

I have read the foregoing verified answer and know the contents thereof. The same is true of my knowledge, except as to those matters which are therein stated on information and belief, and, as to those matters, I believe it to be true.

Executed this August 24, 2017, in Los Angeles, California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.


Suzanne Holley, Senior Vice President &
Chief Operating Officer

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PROOF OF SERVICE

I, Cathy Roybal, the undersigned, declare that:

I am employed in the County of Los Angeles, State of California, over the age of 18, and not a party to this cause. My business address is 10100 Santa Monica Blvd., Suite 2200, Los Angeles, CA 90067.

On August 25, 2017, I caused to be served a true copy of the **DEFENDANT DOWNTOWN CENTER BUSINESS IMPROVEMENT DISTRICT MANAGEMENT CORPORATION'S VERIFIED ANSWER AND AFFIRMATIVE DEFENSES TO PLAINTIFFS' VERIFIED COMPLAINT** on the parties in this cause as follows:

☒ (VIA U.S. MAIL) by placing the above named document in a sealed envelope addressed as set forth below, or on the attached service list and by then placing such sealed envelope for collection and mailing with the United States Postal Service in accordance with Loeb & Loeb LLP's ordinary business practices.

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I am readily familiar with Loeb & Loeb LLP's practice for collecting and processing correspondence for mailing with the United States Postal Service and Overnight Delivery Service. That practice includes the deposit of all correspondence with the United States Postal Service and/or Overnight Delivery Service the same day it is collected and processed.

1 I declare under penalty of perjury under the laws of the State of California that the
2 foregoing is true and correct.

3 Executed on August 25, 2017, at Los Angeles, California.

4 
5 Cathy Roybal

LASC - FILINGS
111 N. HILL STREET
LOS ANGELES CA 90012

DATE PAID: 08/25/17 04:22 PM
RECEIPT #: CCH465980179

CIT/CASE: BS170127
LEA/DEF#:

PAYMENT:	\$435.00	310
RECEIVED:		
CHECK:	\$435.00	
CASH:	\$0.00	
CHANGE:	\$0.00	